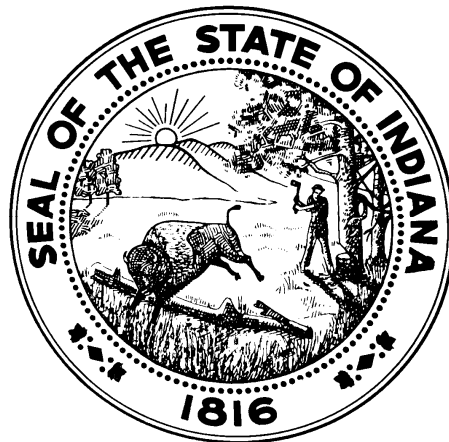


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

REVIEW REPORT  
OF  
SOUTH BEND JUVENILE CORRECTIONAL FACILITY  
STATE OF INDIANA  
July 1, 2004 to June 30, 2007



**FILED**  
12/12/2007



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#### AGENCY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Commissioner, Indiana Department of Correction	Evelyn Ridley-Turner J. David Donahue	02-01-01 to 01-09-05 01-10-05 to 01-11-09
Superintendent	Andrew Pazera Dawn Buss	07-01-04 to 04-10-05 04-11-05 to 06-30-08
Regional Finance Director	Kelley Kitchen	01-22-01 to 06-30-08



# STATE OF INDIANA

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## INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE SOUTH BEND JUVENILE CORRECTIONAL FACILITY

We have reviewed the receipts, disbursements, and assets of the South Bend Juvenile Correctional Facility for the period of July 1, 2004 to June 30, 2007. South Bend Juvenile Correctional Facility's management is responsible for the receipts, disbursements, and assets.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the receipts, disbursements, and assets. Accordingly, we do not express such an opinion.

Financial transactions of this office are included in the scope of our audits of the State of Indiana as reflected in the Indiana Comprehensive Annual Financial Reports.

Based on our review, nothing came to our attention that caused us to believe that the receipts, disbursements, and assets of the South Bend Juvenile Correctional Facility are not in all material respects in conformity with the criteria set forth in the Accounting and Uniform Compliance Guidelines Manual for State Agencies, and applicable laws and regulations, except as stated in the review comments.

STATE BOARD OF ACCOUNTS

November 5, 2007

## SOUTH BEND JUVENILE CORRECTIONAL FACILITY REVIEW COMMENTS

### INTERNAL CONTROL OVER REVENUE COLLECTIONS

Our testing of revenue collections revealed the following deficiencies in the internal control structure:

- (1) Correct reconciliations were not always performed for the Inmate Trust Fund.
- (2) Receipts were not written for all funds deposited.

Each agency, department, institution or office should have internal controls in effect, which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are part of an internal control system. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 1)

### ERROR ON CLAIMS

The following deficiency was noted on several claims during the review period:

Purchase orders, claims, packing slips or invoices did not have evidence to support receipt of goods or services.

Basic expenditure payment procedures:

- (1) Check math accuracy.
- (2) Determine receipt, quality acceptance of goods or services, etc. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 5)

SOUTH BEND JUVENILE CORRECTIONAL FACILITY  
REVIEW COMMENTS  
(Continued)

CAPITAL ASSET RECORDS

The South Bend Juvenile Correctional Facility maintains a record of capital assets. The record listed 7 vehicles; however, the facility currently has only 4 vehicles. One vehicle was not listed on the record of capital assets. Two different items were listed with the same tag number. There were 8 asset items from the test of 33, which could not be found on the list.

The current capital asset list did not show the location of the tagged items, which made it difficult to find the items on the list. Since the list was not dated, it could not be determined when the last inventory was taken.

Once a year, after receiving a Fixed Asset Master Listing, a physical inventory is to be taken and compared to the Master Listing and the agency's listing of assets from their asset control system. The physical inventory helps ensure the asset inventory is accurate, helps ensure assets have not left the agency without authorization, and helps identify unused assets. Evidence that a physical inventory was taken should be maintained. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 10)

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the Inmate Trust Fund after March 31, 2007, were incorrect. The total of the balances of the inmates' accounts being a time sensitive total has been one cause for the problem of reconciling the bank with the account balance. The bank and the trust fund balance at June 30, 2007, had a difference of \$542.57. The bank and the ledger at June 30, 2007, had a difference of \$1,094.54.

Each agency, department, institution or office that does not use the state's accounting system or have funds outside the system also has the responsibilities described in this manual. For the funds outside the state's system, the governmental unit must maintain appropriate accounting records and controls. This includes performing monthly bank statement reconciliations. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 1)

SOUTH BEND JUVENILE CORRECTIONAL FACILITY  
EXIT CONFERENCE

The contents of this report were discussed on November 5, 2007, with Dawn Buss, Superintendent; and Kelley D. Kitchen, Regional Finance Director. The official response has been made a part of this report and may be found on page 7.





**Mitchell E. Daniels, Jr.**  
Governor

**J. David Donahue**  
Commissioner

**SOUTH BEND JUVENILE CORRECTIONAL FACILITY**  
4650 Old Cleveland Road  
South Bend, IN 46628

**Dawn Buss**  
Superintendent

November 5, 2007

Mr. Wiese,

During the recent State Board of Accounts Audit at the South Bend Juvenile Correctional Facility, the following areas were marked for corrective actions. Please see below for the corrective actions put into place following the audit.

- 1) Internal Control Over Revenue Collections  
Reconciliations have been brought up to date which balances the Electronic Offender Trust System Master to the Ledger, Bank Balance, and Checkbook.  
Receipts were not written for state pay and transfer monies from other facilities. Effective September 1, 2007, receipts are written for all monies deposited into the offender trust system
- 2) Receipt of goods and services was not documented on payment documentations. Effective immediately, all packing slips will be initialed for receipt, and invoices marked approved for payment. Receipt of goods and services will be also documented electronically in the PeopleSoft financial system.
- 3) The capital asset records exist in complete detail in the PeopleSoft system. This record states the location, use status, and correct tag number. However, we were unsuccessful in downloading a hard copy of the report. An issue has been submitted to GMIS to correct the problem.
- 4) Bank account reconciliations for the trust fund were addressed above.

Please let me know if you have any questions.

Sincerely,

Kelley D. Kitchen, Regional Finance Director



STATE OF INDIANA

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